

§ 1204.203

30 CFR Ch. VII (7–1–12 Edition)

which you have taken relief under this section (or if you are a designee who reports and pays royalty for a lessee who has disposed of its ownership interest), you must:

(1) Report and pay royalties for the portion of the calendar year for which you had an ownership interest; and

(2) Make the report and payment by the end of the month after you dispose of the ownership interest in the marginal property. If you do not report and pay timely, you will owe interest determined under §218.54 from the date the payment was due under this section.

§ 1204.203 What is the other relief option?

(a) Under this relief option, you may request any type of accounting and auditing relief that is appropriate for production from your marginal property, provided it is not prohibited under §1204.204 and meets the statutory requirements of §1204.5. Examples of relief options you could request are:

(1) To report and pay royalties using a valuation method other than that required under 30 CFR part 1206 that approximates royalties payable under that part 1206; and

(2) To reduce your royalty audit burden. However, ONRR will not consider any request that eliminates ONRR's or the States' right to audit.

(b) You must request approval from ONRR under §1204.205(b), and receive approval under §1204.206 before taking relief under this option.

§ 1204.204 What accounting and auditing relief will ONRR not allow?

ONRR will not approve your request for accounting and auditing relief under this subpart if your request:

(a) Prohibits ONRR or the State from conducting any form of audit;

(b) Permanently relieves you from making future royalty reports or payments;

(c) Provides for less frequent royalty reports and payments than annually;

(d) Provides for you to submit royalty reports and payments at separate times;

(e) Impairs ONRR's ability to properly or efficiently account for or distribute royalties;

(f) Requests relief for a lease under which the Federal Government takes its royalties in kind;

(g) Alters production reporting requirements;

(h) Alters lease operation or safety requirements;

(i) Conflicts with rent, minimum royalty, or lease requirements; or

(j) Requests relief for production from a marginal property located in whole or in part in a State that has determined that it will not allow such relief under §1204.208.

§ 1204.205 How do I obtain accounting and auditing relief?

(a) To take cumulative reports and payments relief under §1204.202, you must notify ONRR in writing by January 31 of the calendar year for which you begin taking your relief.

(1) Your notification must contain:

(i) Your company name, ONRR-assigned payor code, address, phone number, and contact name; and

(ii) The specific ONRR lease number and agreement number, if applicable.

(2) You may file a single notification for multiple marginal properties.

(b) To obtain other relief under §1204.203, you must file a written request for relief with ONRR.

(1) Your request must contain:

(i) Your company name, ONRR-assigned payor code, address, phone number, and contact name;

(ii) The ONRR lease number and agreement number, if applicable; and

(iii) A complete and detailed description of the specific accounting or auditing relief you seek.

(2) You may file a single request for multiple marginal properties if you are requesting the same relief for all properties.

§ 1204.206 What will ONRR do when it receives my request for other relief?

When ONRR receives your request for other relief under §204.1205(b), it will notify you in writing as follows:

(a) If your request for relief is complete, ONRR may either approve, deny, or modify your request in writing after consultation with any State required under §1204.207(b).